

April 7, 2010

WASHINGTON, DC - Today, U.S. Rep. Michael Arcuri (NY-24) issued the following statement after U.S. Department of the Treasury Secretary Timothy Geithner delayed the release of a determination on Chinese currency manipulation. Arcuri believes it is critical for Geithner to issue the report and address the issue of Chinese currency manipulation as quickly as possible in order to protect local manufacturing jobs.

"Secretary Geithner's recent announcement that the Treasury Department has delayed making a determination on Chinese currency manipulation is completely unacceptable and needs immediate corrective action," **Arcuri said**. "Without action we face the possibility of losing thousands of fair-wage manufacturing jobs. In my district alone, thousands of manufacturing jobs locally need to be protected so we must address unfair trade practices being utilized by countries like China. Our manufacturers are not asking for any unfair advantage, they are just seeking a level playing field so that they can fairly compete internationally."

On March 15, 2010, Arcuri sent a letter to U.S. Department of the Treasury Secretary Timothy Geithner and U.S. Department of Commerce Secretary Gary Locke expressing concern over China's ongoing manipulation of its currency and outlined actions necessary to restore fair trade save U.S. manufacturing jobs including the inclusion of China in the Department's bi-annual report on currency manipulation.

The manipulation of the Chinese currency occurs because China pegs its currency, the renminbi (RMB), to the U.S. dollar at a fixed exchange rate. Economists estimate that this exchange rate undervalues the RMB anywhere between 15% and 40%. Maintaining its currency at a devalued exchange rate effectively provides a subsidy to Chinese companies and unfairly disadvantages foreign competitors. U.S. exports to the country cannot compete with the low-priced Chinese equivalents, and domestic American producers are similarly disadvantaged in the face of subsidized Chinese imports.

The devaluation of the RMB also exacerbates the already severe U.S-China trade deficit. Statistics show that between January 2000 and May 2009, China's share of the U.S. trade deficit for non-oil goods grew from 26% to 83% -- an untenable pattern for American manufacturers. And finally, China's exchange-rate misalignment threatens the stability of the

global financial system by contributing to rampant Chinese inflation and accumulation of foreign reserves.

BACKGROUND

Arcuri has continuously supported policies that protect American businesses from unfair trade practices and promote local job growth including:

- Fought to include "Buy America" provisions in the Recovery Bill to ensure that goods used in infrastructure projects are manufactured here at home from domestic raw materials;
- Sent letters in December 2009 and February 2010 to U.S. Department of Energy Secretary Steven Chu urging him to reject the \$450 million request for Recovery Bill Funding for a wind farm project in West Texas that plans to use turbines manufactured in China;
- Co-sponsoring of H. R. 2378, the Currency Reform for Fair Trade Act, which would prevent foreign trading partners from manipulating their currency to gain an unfair advantage;
- Co-sponsoring of H. R. 3012, the TRADE Act, which would mandate trade pact reviews, establish standards, protect workers and help restore congressional oversight of future trade agreements;
- Co-sponsoring of H.R. 4351, the Buy American Improvement Act, which would close the vague "waiver" process that allows government procurements to avoid buying domestically-produced goods, increase transparency, and create American jobs;
- Co-sponsoring of H.R. 4692, the National Manufacturing Strategy Act, which would require the administration, in consultation with a new Manufacturing Strategy Board made up of 21 industry leaders and stakeholders, to analyze the nation's manufacturing sector and develop a strategy for enhancing U.S. competitiveness and promoting its success in the global

economy;

- Voted against the Peru Free Trade Agreement; and,
- In 2007, testified before both the House Ways and Means Committee and the International Trade Commission to advocate for legislation to address China's unbalanced trade practices and highlight the importance of enforcing and strengthening U.S. trade laws.

[Click here to view the Letter sent to Secretaries Geithner and Locke.](#)